

7-1941

Daily World  
Atlanta, Georgia

# One Bank For Every One Million Negroes

By EMORY O. JACKSON

For every million Negroes in the United States, there is only one Negro bank. There are 13 Negro banks and 13 million Negroes.

These 13 banks have estimated total assets of \$7,575,000 and an approximate average of \$631,250 dollars.

Inspection of the estimated manner in which these assets are invested show they are soundly distributed over several items.

Though many students work the field of finance and banking among Negroes, there seems to be little popularized research on the subject. Papers have been written showing how Negro banks fare during the bank-failure epidemic, but other aspects of the problem have apparently been neglected.

## A REVEALING STUDY

It might prove revealing to have a study made of how Negro money fared in white banks during the period when there were wholesale closing of such institutions. An unstudied observation by this writer reflects that many Negroes lost money in white banks. So did whites. But the difference is that where the white lost, the lost went to whites. But, for most part, the losses of Negroes went to whites, in that way creating a lost to the group.

A study of this kind, to be valuable, should be objective and should not seek to prove anything. Proving prevents research.

Experiments with many kinds of Negro banks have been tried. White bankers have attempted to operate banks exclusively for Negro people. They have been those backed by interracial set-ups. And those surviving are operated by Negroes for the general public. But they are chiefly patronized by Negroes.

## BUSINESS AIDS BANKS

An important observation is that the banks are located in the strongholds of Negro business. Passing of Negro banks has often been the barometer of Negro business. Research on this point is needed to clear it up.

This writer has no reason for the lack of Negro banks in many

of the other heavy populated Negro areas.

It would do well to place Negro earnings along side the figures on Negro spendings. Negroes spend in the neighborhood of four billion dollars annually. That is great purchasing power. Or their savings or investments a proper proportion of that money? It is being wisely spent. Is it bringing all the benefits inherent in it? Bank savings are but one of the many forms of savings.

## BANKS—LOCATION— APPROXIMATE ASSETS

Citizens Southern, Philadelphia, \$800,000.

Industrial Bank—Washington, D. C., \$1,200,000.

Consolidated Bank and Trust Company—Richmond, Va., \$1,100,000.

Danville Bank—Danville, Va. \$300,000.

Crown Saving Bank—Newport News, Va., \$500,000.

Farmers and Merchants Bank, Durham and Raleigh, N. C., \$1,400,000.

Citizens Trust—Atlanta, Ga., \$875,000.

Citizens Bank and Trust Company—Nashville, Tenn., \$350,000.

Tuskegee Industrial and Saving Bank—Tuskegee, Ala., \$400,000.

Fraternal Bank and Trust Company—Fort Worth, Texas, \$500,000.

The Bank of Boley—Boley, Okla., \$75,000.

Victory Savings Bank—Columbia, S. C., \$75,000.

Totals ..... \$7,575,000.

Average ..... 631,250

Approximate Average Distribution of Assets.

## ITEMS—PERCENTAGE

Cash ..... 24  
U. S. Bonds ..... 10  
State Bonds ..... 7  
Other Bonds ..... 5  
Loans ..... 45  
Real Estate ..... 3  
Other Assets ..... 3

Total ..... 100

## GENERAL Journal and Guide Norfolk, Virginia Our Banks Show Encouraging Growth

A STATEMENT just issued by the United States Department of Commerce shows that the twelve Negro-owned banks in the United States—eleven of them in the South—experienced a healthy growth in deposits and total resources during the calendar year 1940.

At the end of 1939 the banks had total deposits of \$5,000,000 plus, which had grown to \$6,000,000 plus at the end of 1940. The total resources at the end of 1939 were \$6,000,000 plus and these had grown to \$7,000,000 plus by the end of 1940.

The following is an interesting observation quoted from the Department of Commerce statement:

Negro borrowers residing in large cities where the loan policy of other banks is influenced by race and location, have experienced considerable difficulty in securing loans for home construction. The fact that this situation has been partly alleviated in areas where Negro-owned institutions are located, is an important factor for their establishment in sections where the difficulty remains.

The foregoing statement warrants serious study. It is a fact that in many localities—and Norfolk is one of them—it is difficult for a colored person to procure a loan to buy or build a home under the FHA plan.

Lending institutions say that this is due to the fact that members of the race are poor credit risks and that their economic outlook is poor. This conclusion may be based upon experience on the part of the local institutions through the depression period. It is offset in a considerable measure, however, by the fact that in twelve cities in the United States—eleven of them in the South and three in Virginia—deposits increased nearly a million dollars.

The fact that this is a relatively small figure is explained easily. Even in cities where there is a colored bank, members of the race make deposits and keep savings, for various reasons, in other institutions. So, the picture presented by

the Negro-owned institutions though encouraging, does not present the entire picture of Negro thrift and economic progress.

The Journal and Guide believes that the policy of the lending institutions in the various southern cities should be re-examined and re-defined on a basis that will permit a relaxing of restrictions against lending for the building of Negro homes.



7-1941

ILLINOIS

Kansas City Call  
Kansas City, Mo.

**BINGA BANK**

**SALE BRINGS**

**ONLY \$5,525**

*7-* *1941* *lll.*  
**MAR 21 1941**

CHICAGO. (ANP).—A petition to be presented to the judge of the circuit court of appeals, seeking to void the sale of the Binga bank building and other properties connected with the estate, is being prepared by Atty. Bindley O. Cyrus who represents the depositors of the old Binga bank.

At the receiver's sale Wednesday, properties assessed at \$769,597 brought a total figure of only \$82,760. Atty. Cyrus said:

"The beautiful bank building, with only five years' back taxes, brought the astounding figure of \$5,525. Why, the vault alone should bring that amount."

If the Wednesday sales are confirmed by the circuit court, depositors of the now defunct bank will get no further returns, therefore, Atty. Cyrus is seeking this means of stopping final confirmation of the sales, a legal requirement.

Among those attending the receiver's sale was Jesse Binga, former millionaire head of the State street bank. Although not one of the bidders, because he is admittedly broke, Binga said the sale of his properties did not mean he was through.

**MAR 21 1941**  
"I'm starting over. I've opened a real estate office at 3100 South Parkway, and I'll come back . . . strong," he said.

Included in the property for sale was the old Binga home at 3424 Vernon avenue.



7-1941

Chicago, Defender  
Chicago, Illinois

# Bankers Talk Of Rosy Future At D.C. Confab

WASHINGTON — (ANP)

—Ending one of their most successful conventions the National Negro Bankers association meeting in Washington, heard some of the finest discussions and reports the organization has yet had.

With the eight member banks and the three non-member banks reporting assets of \$8,000,000, the delegates were of the opinion that Negro banks were on a solid basis and these 11 survivors would push forward to new achievements in the future.

At the morning session, held at the Garnett-Paterson school, Major R. R. Wright, Sr., of Philadelphia, presided and called the meeting to order. Registration and roll call of members and delegates followed and then an address was delivered by William L. Houston, special assistant, attorney general.

M. C. Martin, cashier of the Danville Savings Bank and Trust company of Danville, Va., read the secretary's report; C. C. Spaulding, who is president of the strong Mechanics and Farmers Bank of Durham, N. C., was not present to read his report, but it was handled by one of his associates.

Jesse H. Lewis, head of the department of finance and accounting at Howard university, read an address, "The Responsibilities of Banks to Their Communities."

At the afternoon session, Warren R. Forster, vice president of the Hamilton National bank of this city was the principal speaker and his talk was on "Bonds."

Mr. Forster stressed the opportunity of colored banks to serve Negroes in financing mortgages for building through the FHA. He indicated that the insurance companies, which had been the largest purchasers of these bonds and avoided colored people and their needs for homes. When questioned on this, Mr. Forster said it was a matter for the insurance companies themselves to answer, but he felt that as most of the companies were

northern companies, they were unaware of the situation and their failure was due to ignorance.

Mr. McDougald, of the Mechanics and Farmers Bank, then told Mr. Forster that his experience had taught that colored mortgages were better risks than most of the white borrowers and that the insurance companies nor the FHA could say the Negroes were poor risks.

Mr. McDougald cited instances showing that his bank had had fewer cases of non-payment from colored borrowers than from whites. Again Mr. Forster stated his position and said the Negroes could do themselves justice in this particular field by looking into the matter of purchasing these bonds which had the government backing with them.

Following Mr. Forster, Luther A. Harr, former treasurer of the city of Philadelphia, and professor at the University of Pennsylvania and presently counsel for the Bituminous Coal Consumers commission, delivered a short talk.

NATIONAL NEGRO BANKERS ASSOCIATION